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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders August 2006

New Orders

New orders for manufactured durable goods in August decreased \$1.0 billion or 0.5 percent to \$209.7 billion, the U.S. Census Bureau announced today. This was the second consecutive monthly decrease and followed a 2.7 percent July decrease. Excluding transportation, new orders decreased 2.0 percent. Excluding defense, new orders decreased 0.8 percent.

Computers and electronic products, down following two consecutive monthly increases, had the largest decrease, \$1.5 billion or 4.7 percent to \$29.5 billion.

Shipments

Shipments of manufactured durable goods in August, up three of the last four months, increased \$4.0 billion or 1.9 percent to \$214.2 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.3 percent July decrease.

Transportation equipment, up following two consecutive monthly decreases, had the largest increase, \$3.1 billion or 5.9 percent to \$56.9 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in August, up fifteen of the last sixteen months, increased \$2.4 billion or 0.4 percent to \$631.9 billion. This was at the highest level since the series began and followed a 1.2 percent July increase.

Transportation equipment, up fifteen of the last sixteen months, had the largest increase, \$1.9 billion or 0.6 percent to \$331.2 billion. This was at the highest level since the series began.

Inventories

Inventories of manufactured durable goods in August, up seven of the last eight months, increased \$0.7 billion or 0.2 percent to \$287.1 billion. This followed a 1.1 percent July increase.

Primary metals, up nine consecutive months, had the largest increase, \$0.4 billion or 1.4 percent to \$28.4 billion. This was at the highest level since the series began.

Capital Goods

Nondefense new orders for capital goods in August decreased \$2.5 billion or 3.5 percent to \$68.7 billion. Shipments increased \$0.6 billion or 0.9 percent to \$67.5 billion. Unfilled orders increased \$1.2 billion or 0.4 percent to \$325.3 billion. Inventories decreased \$0.6 billion or 0.5 percent to \$110.3 billion.

Defense new orders for capital goods in August increased \$0.5 billion or 6.1 percent to \$9.5 billion. Shipments increased \$0.4 billion or 5.4 percent to \$8.2 billion. Unfilled orders increased \$1.3 billion or 1.0 percent to \$130.2 billion. Inventories decreased slightly or 0.3 percent to \$14.4 billion.

Revised July Data

Revised seasonally adjusted July figures for all manufacturing industries were: new orders, \$403.9 billion (revised from \$405.1 billion); shipments, \$403.4 billion (revised from \$403.9 billion); unfilled orders, \$629.4 billion (revised from \$630.2 billion); and total inventories, \$473.8 billion (revised from \$473.0 billion).

Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <http://www.census.gov/m3>.

Revised and more detailed estimates, plus nondurable goods data, will be published on October 4, 2006, at 10:00 a.m. EDT. The advance report on durable goods for September is scheduled for release on October 26, 2006, at 8:30 a.m. EDT. See back page for survey description.

Table 1. Durable Goods Manufacturers' Shipments and New Orders
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Aug 2006 ²	Jul 2006 ^r	Jun 2006	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2006 ²	Jul 2006 ^r	Aug 2005	2006	2005	Percent Change 06/05
DURABLE GOODS												
Total:												
Shipments.....	214,247	210,255	212,998	1.9	-1.3	0.2	218,586	182,767	204,570	1,670,071	1,552,066	7.6
New Orders ⁴	209,746	210,773	216,667	-0.5	-2.7	3.3	209,974	182,738	202,704	1,671,756	1,541,309	8.5
Excluding transportation:												
Shipments.....	157,348	156,503	155,955	0.5	0.4	0.6	159,073	144,299	146,379	1,224,213	1,120,821	9.2
New Orders ⁴	150,985	154,134	154,112	-2.0	0.0	1.8	150,098	142,313	142,674	1,197,858	1,090,704	9.8
Excluding defense:												
Shipments.....	204,415	200,938	203,555	1.7	-1.3	0.2	208,836	174,223	195,850	1,596,512	1,483,107	7.6
New Orders ⁴	198,666	200,278	204,695	-0.8	-2.2	1.5	200,707	175,035	197,083	1,598,230	1,482,585	7.8
Manufacturing with unfilled orders:												
Shipments.....	150,270	147,647	147,049	1.8	0.4	0.5	152,632	130,350	137,623	1,152,618	1,052,100	9.6
New Orders ⁴	152,703	155,040	157,353	-1.5	-1.5	4.6	150,856	136,410	142,391	1,208,096	1,090,342	10.8
Primary metals:												
Shipments.....	20,109	19,978	19,532	0.7	2.3	2.3	20,710	18,184	16,433	150,922	129,809	16.3
New Orders.....	19,627	20,052	19,725	-2.1	1.7	0.1	20,375	18,169	17,476	152,556	129,188	18.1
Fabricated metal products:												
Shipments.....	25,040	24,692	24,888	1.4	-0.8	0.6	26,520	23,101	24,416	197,315	182,058	8.4
New Orders.....	25,488	24,844	26,639	2.6	-6.7	5.3	26,336	23,399	24,814	203,772	187,709	8.6
Machinery:												
Shipments.....	27,769	27,661	27,429	0.4	0.8	1.8	27,111	25,904	24,371	216,366	193,869	11.6
New Orders.....	28,285	28,878	28,737	-2.1	0.5	0.4	26,926	26,706	24,743	224,920	199,370	12.8
Computers and electronic products:												
Shipments.....	35,722	35,492	34,949	0.6	1.6	-0.4	34,296	31,321	32,329	272,545	250,471	8.8
New Orders ⁴	29,541	30,992	29,479	-4.7	5.1	5.7	27,157	27,049	26,031	225,577	207,465	8.7
Computers and related products:												
Shipments.....	6,762	6,929	6,019	-2.4	15.1	-3.9	6,062	6,612	6,140	50,663	49,525	2.3
New Orders.....	6,406	7,060	6,128	-9.3	15.2	-1.7	5,706	6,743	6,404	50,045	49,205	1.7
Communications equipment:												
Shipments.....	5,597	5,346	6,072	4.7	-12.0	3.5	5,344	4,395	5,017	44,915	38,776	15.8
New Orders.....	6,389	5,971	6,580	7.0	-9.3	15.0	5,285	4,808	4,480	46,738	41,055	13.8
Semiconductors:												
Shipments.....	6,934	6,875	6,635	0.9	3.6	-5.7	6,836	6,089	6,634	53,793	48,999	9.8
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,396	10,291	10,238	1.0	0.5	-1.7	10,651	9,362	9,807	79,811	72,211	10.5
New Orders.....	9,844	10,843	10,817	-9.2	0.2	-2.2	9,909	10,213	10,299	83,636	74,247	12.6
Transportation equipment:												
Shipments.....	56,899	53,752	57,043	5.9	-5.8	-1.0	59,513	38,468	58,191	445,858	431,245	3.4
New Orders.....	58,761	56,639	62,555	3.7	-9.5	7.0	59,876	40,425	60,030	473,898	450,605	5.2
Motor vehicles and parts:												
Shipments.....	39,665	37,513	40,459	5.7	-7.3	-0.8	42,669	24,968	43,655	317,125	317,098	0.0
New Orders.....	39,569	37,904	40,703	4.4	-6.9	-0.3	42,214	25,837	43,559	318,758	317,242	0.5
Nondefense aircraft and parts:												
Shipments.....	8,081	7,467	7,986	8.2	-6.5	0.5	7,691	5,800	5,933	60,071	45,998	30.6
New Orders.....	7,706	9,872	11,282	-21.9	-12.5	7.2	7,319	8,360	11,152	87,530	72,334	21.0
Defense aircraft and parts:												
Shipments.....	3,602	3,396	3,231	6.1	5.1	-8.1	3,579	3,025	3,273	26,387	25,428	3.8
New Orders.....	3,351	3,051	2,999	9.8	1.7	9.0	2,513	2,102	1,841	24,452	18,445	32.6
All other durable goods:												
Shipments.....	38,312	38,389	38,919	-0.2	-1.4	0.4	39,785	36,427	39,023	307,254	292,403	5.1
New Orders.....	38,200	38,525	38,715	-0.8	-0.5	-0.3	39,395	36,777	39,311	307,397	292,725	5.0
Capital goods: ³												
Shipments.....	75,697	74,656	74,452	1.4	0.3	-0.1	73,910	67,413	67,476	583,793	525,829	11.0
New Orders.....	78,195	80,122	82,081	-2.4	-2.4	6.2	73,115	70,573	70,107	620,404	556,418	11.5
Nondefense capital goods:												
Shipments.....	67,494	66,874	66,434	0.9	0.7	-0.2	65,760	60,190	60,076	521,969	467,242	11.7
New Orders.....	68,738	71,211	71,652	-3.5	-0.6	1.7	65,214	64,069	65,364	558,392	506,066	10.3
Excluding aircraft:												
Shipments.....	62,315	62,156	61,200	0.3	1.6	-0.2	60,776	56,754	56,426	483,526	443,518	9.0
New Orders.....	63,954	64,123	63,523	-0.3	0.9	0.9	60,548	58,291	56,818	498,577	454,469	9.7
Defense capital goods:												
Shipments.....	8,203	7,782	8,018	5.4	-2.9	1.2	8,150	7,223	7,400	61,824	58,587	5.5
New Orders.....	9,457	8,911	10,429	6.1	-14.6	51.7	7,901	6,504	4,743	62,012	50,352	23.2

NA Not Available ^r Revised

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations

² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-3(05), "Manufacturers' Shipments, Inventories, and Orders: 1992-2005"

³ The Capital Goods Industries include Nondefense : small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies

Defense Capital Goods include : small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment

⁴ Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹			
	Monthly			Percent Change			Monthly			Percent Change 2006/ 2005
	Aug 2006 ²	Jul 2006 ^r	Jun 2006	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2006 ²	Jul 2006 ^r	Aug 2005	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	631,866	629,433	622,040	0.4	1.2	1.7	627,906	629,682	529,479	18.6
Total Inventories.....	287,082	286,384	283,293	0.2	1.1	0.9	290,171	289,179	272,836	6.4
Excluding transportation:										
Unfilled Orders ⁴	300,631	300,060	295,554	0.2	1.5	1.6	298,726	300,865	262,272	13.9
Total Inventories.....	220,645	219,244	216,864	0.6	1.1	0.7	222,869	221,073	208,322	7.0
Excluding defense:										
Unfilled Orders ⁴	488,923	487,738	481,523	0.2	1.3	1.6	487,394	488,687	390,369	24.9
Total Inventories.....	268,001	267,293	264,501	0.3	1.1	1.1	270,920	269,927	253,669	6.8
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	631,866	629,433	622,040	0.4	1.2	1.7	627,906	629,682	529,479	18.6
Total Inventories.....	222,649	222,467	220,283	0.1	1.0	0.8	224,794	224,616	210,534	6.8
Primary metals:										
Unfilled Orders.....	27,000	27,482	27,408	-1.8	0.3	0.7	26,908	27,243	21,161	27.2
Total Inventories.....	28,419	28,024	27,475	1.4	2.0	1.1	28,459	28,205	25,486	11.7
Fabricated metal products:										
Unfilled Orders.....	53,211	52,763	52,611	0.8	0.3	3.4	53,562	53,746	46,374	15.5
Total Inventories.....	36,757	36,445	36,040	0.9	1.1	1.5	36,910	36,903	34,413	7.3
Machinery:										
Unfilled Orders.....	71,332	70,816	69,599	0.7	1.7	1.9	70,259	70,444	57,566	22.0
Total Inventories.....	45,317	45,155	44,860	0.4	0.7	-0.1	45,775	45,186	43,705	4.7
Computers and electronic products:										
Unfilled Orders ⁴	115,577	114,824	112,449	0.7	2.1	1.0	114,400	114,703	107,313	6.6
Total Inventories.....	45,041	45,064	44,627	-0.1	1.0	0.4	46,227	45,902	42,712	8.2
Computers and related products:										
Unfilled Orders.....	4,084	4,440	4,309	-8.0	3.0	2.6	4,084	4,440	4,614	-11.5
Total Inventories.....	4,199	4,204	4,179	-0.1	0.6	2.5	4,491	4,286	4,741	-5.3
Communications equipment:										
Unfilled Orders.....	35,631	34,839	34,214	2.3	1.8	1.5	34,835	34,894	33,982	2.5
Total Inventories.....	9,821	9,931	9,896	-1.1	0.4	-2.8	9,951	9,975	10,031	-0.8
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	21,581	22,133	21,581	-2.5	2.6	2.8	21,659	22,401	17,015	27.3
Total Inventories.....	14,051	13,862	13,602	1.4	1.9	2.1	14,090	13,880	12,431	13.3
Transportation equipment:										
Unfilled Orders.....	331,235	329,373	326,486	0.6	0.9	1.7	329,180	328,817	267,207	23.2
Total Inventories.....	66,437	67,140	66,429	-1.0	1.1	1.3	67,302	68,106	64,514	4.3
Motor vehicles and parts:										
Unfilled Orders.....	19,031	19,127	18,736	-0.5	2.1	1.3	18,725	19,180	15,604	20.0
Total Inventories.....	24,205	24,025	23,715	0.7	1.3	0.4	24,484	24,337	23,872	2.6
Nondefense Aircraft and parts:										
Unfilled Orders.....	195,006	195,381	192,976	-0.2	1.2	1.7	194,893	195,265	134,610	44.8
Total Inventories.....	22,757	23,665	23,490	-3.8	0.7	3.4	23,144	24,126	21,150	9.4
Defense Aircraft and parts:										
Unfilled Orders.....	44,181	44,432	44,777	-0.6	-0.8	-0.5	43,573	44,639	41,847	4.1
Total Inventories.....	11,760	11,837	11,714	-0.7	1.1	0.0	11,847	11,970	11,348	4.4
All other durable goods:										
Unfilled Orders.....	11,930	12,042	11,906	-0.9	1.1	-1.7	11,938	12,328	12,843	-7.0
Total Inventories.....	51,060	50,694	50,260	0.7	0.9	0.7	51,408	50,997	49,575	3.7
Capital goods: ³										
Unfilled Orders.....	455,459	452,961	447,495	0.6	1.2	1.7	451,306	452,101	378,459	19.2
Total Inventories.....	124,676	125,328	124,088	-0.5	1.0	0.8	126,459	126,230	121,010	4.5
Nondefense capital goods:										
Unfilled Orders.....	325,255	324,011	319,674	0.4	1.4	1.7	323,337	323,883	250,796	28.9
Total Inventories.....	110,316	110,923	109,976	-0.5	0.9	1.1	112,016	111,797	106,457	5.2
Excluding aircraft:										
Unfilled Orders.....	155,857	154,218	152,251	1.1	1.3	1.5	154,257	154,485	135,973	13.4
Total Inventories.....	93,282	92,880	92,022	0.4	0.9	0.6	94,700	93,375	90,222	5.0
Defense capital goods:										
Unfilled Orders.....	130,204	128,950	127,821	1.0	0.9	1.9	127,969	128,218	127,663	0.2
Total Inventories.....	14,360	14,405	14,112	-0.3	2.1	-1.4	14,443	14,433	14,553	-0.8

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,200 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 62 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,200 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,200 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.